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Supreme Court, U.S.
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No. 10-1090

IN THE
Supreme Court of the United States

MEDIOSTREAM, INC.,

Petitioner,

v.

ACER AMERICA CORP., APPLE INC., ASUS COMPUTER INTERNATIONAL, INC., CYBERLINK.COM CORP., DELL, INC., GATEWAY, INC., MICROSOFT CORP., NERO AG, NERO, INC., SONIC SOLUTIONS LLC, SONY CORP., AND SONY ELECTRONICS INC.,

Respondents.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF IN OPPOSITION FOR RESPONDENTS

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PARTIES TO THE PROCEEDING AND RULE 29.6 STATEMENT

All parties below are named in the caption.

Pursuant to this Court's Rule 29.6, undersigned counsel state that:

The parent company of Acer America Corp. is Boardwalk Capital Holding, Ltd., which owns 100% of its stock. The parent company of Boardwalk Capital Holding, Ltd. is Gateway, Inc., which owns 100% of its stock.

Apple Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of ASUS Computer International, Inc. is ASUSTeK Computer Inc., which owns 100% of its stock. ASUSTeK Computer Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of CybyerLink.com Corp. is CyberLink Corp., which owns 100% of its stock. CyberLink Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

Dell, Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of Gateway, Inc. is Acer American Holdings Corp., which owns 100% of its stock. The parent company of Acer American Holdings Corp. is Acer Inc. Acer Inc. has no parent company and no other publicly held company owns 10% or more of its stock.

Microsoft Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

QUESTION PRESENTED

This Court has held that a court of appeals may issue a writ of mandamus to reverse a district court's "'clear abuse of discretion.'" *Cheney v. U.S. Dist. Court for D.C.*, 542 U.S. 367, 380 (2004) (quoting *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953)). This Court also has held that a district court abuses its discretion when it "base[s] its ruling on an erroneous view of the law or on a clearly erroneous assessment of the evidence." *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 405 (1990). Is a court of appeals precluded from issuing a writ of mandamus to reverse a district court's denial of a motion to transfer venue (28 U.S.C. § 1404(a)) that is based upon a patently erroneous assessment of the facts relating to the convenience of parties and witnesses?

Nero AG has no parent company and no other publicly held company owns 10% or more of its stock.

The parent company of Nero, Inc. is Nero AG, which owns 100% of its stock.

The parent company of Sonic Solutions LLC is Sonic Holdings, Inc., which owns 100% of its stock. The parent company of Sonic Holdings, Inc. is Rovi Corporation, which owns 100% of its stock. Rovi Corporation has no parent company and T. Rowe Price and Associates owns more than 10% of its stock.

The parent company of Sony Electronics Inc. is Sony Corporation of America, which owns 100% of its stock. The parent company of Sony Corporation of America is Sony Americas Holdings Inc., which owns 100% of its stock. The parent company of Sony Americas Holdings Inc. is Sony Corp., which owns 100% of its stock.

Sony Corp. has no parent company and no other publicly held company owns 10% or more of its stock.

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BRIEF IN OPPOSITION

Respondents respectfully submit this brief in opposition to the petition for a writ of certiorari filed by MedioStream, Inc.

STATEMENT

Petitioner is correct that this case involves the "distort[ion] [of] patent venue" (Pet. 17), except that it is not the Federal Circuit that is causing the distortion. It is, instead, the fact that a disproportionate volume of patent cases are filed in the Eastern District of Texas with no discernible connection to that forum.

In this patent-infringement action, the plaintiff, MedioStream, Inc., sued twelve companies in the Eastern District of Texas, even though no party, not even the plaintiff, had any meaningful connection to that district. That choice of forum was not unusual: Over the past decade, plaintiffs in patent-infringement actions have filed lawsuits in the Eastern District of Texas in numbers out of all proportion to that district's size and population. As here, the cases often have no meaningful connection to the district, aside from, perhaps, the plaintiff's sudden reincorporation or establishment of an office in the district shortly before initiating litigation. Despite that, motions to transfer venue under 28 U.S.C. § 1404(a) to forums with far more substantial connections to the suits often are denied.

Recently, in the wake of an *en banc* decision of the Fifth Circuit reemphasizing the "clear abuse of discretion" standard for mandamus relief in § 1404(a) orders, *see In re Volkswagen of Am., Inc.*, 545 F.3d 304 (5th Cir. 2008), *cert. denied*, 129 S. Ct. 1336 (2009), the Federal Circuit has exercised its own supervisory authority over actions filed in the

Eastern District by issuing writs of mandamus requiring a transfer of venue in some of the clearest instances where the cases should not have been filed in the Eastern District. In doing so, the Federal Circuit has faithfully applied this Court's precedents on the standard of review for mandamus petitions, issuing the writ only when the district court committed a "'clear abuse of discretion'" and where the defendants' entitlement to the writ was "'clear and indisputable.'" *Cheney v. U.S. Dist. Court for D.C.*, 542 U.S. 367, 380, 381 (2004) (quoting *Kerr v. U.S. Dist. Court for N. Dist. of Cal.*, 426 U.S. 394, 403 (1976); *Bankers Life & Cas. Co. v. Holland*, 346 U.S. 379, 383 (1953)).

MedioStream now argues, in substance, that the *en banc* Fifth Circuit incorrectly resolved the question whether the "clear abuse of discretion" standard permits a reviewing court to reverse a decision predicated on a clearly erroneous view of the facts. MedioStream contends that the Fifth Circuit's determination that a decision predicated on a patently erroneous view of the facts relating to transfer can qualify as a clear abuse of discretion warranting mandamus relief, and the Federal Circuit's faithful and indisputably correct application of that standard in the instant case, depart from decisions of other courts of appeals. MedioStream is incorrect. At the threshold, MedioStream never raised this issue before the Federal Circuit; MedioStream never argued—not even in a petition for rehearing—that the Fifth Circuit's *en banc* decision in *Volkswagen* is incorrect or otherwise maintained that review of the district court's transfer decision must be limited to an analysis of whether the district court intoned the correct legal standard. MedioStream instead cited *Volkswagen* for the proposition that the Federal Circuit could issue a writ of mandamus if the defendants demonstrated "that the district court clearly abused

its discretion" and argued that the district court's transfer decision "is adequately supported in the record." MedioStream C.A. Br. at 2, 11.

Even putting aside that forfeiture, there is no division of authority among the circuits on the question presented that warrants this Court's intervention. MedioStream relies almost exclusively on cases from the 1950s. But in the intervening 60 years, this Court has repeatedly reiterated that a district court's order may be reversed on mandamus review for a "clear abuse of discretion," *Cheney*, 542 U.S. at 380 (internal quotation marks omitted), and it is axiomatic that a decision based on "a clearly erroneous assessment of the evidence" constitutes an abuse of such discretion. *Cooter & Gell v. Hartmarx Corp.*, 496 U.S. 384, 405 (1990).

1. In recent years, the Eastern District of Texas has become a magnet for patent-infringement lawsuits. *See Micron Tech., Inc. v. Mosaid Techs., Inc.*, 518 F.3d 897, 905 (Fed. Cir. 2008) (referring to "the well-known patent forum of the Eastern District of Texas"). From 2002, "[i]t took only five years for [the Eastern District city of] Marshall to grow . . . to the second-busiest patent docket in the country, ahead of New York, Chicago, Washington and San Francisco and closely trailing Los Angeles, the perennial leader of IP litigation." Yan Leychkis, *Of Fire Ants and Claim Construction: An Empirical Study of the Meteoric Rise of the Eastern District of Texas as a Preeminent Forum for Patent Litigation*, 9 Yale J.L. & Tech. 193, 195 (2007). The Eastern District "handled nearly thirteen percent of all patent cases in 2008, the highest proportion in the country." Jeanne C. Fromer, *Patentography*, 85 N.Y.U. L. Rev. 1444, 1445 (2010); *see also* Elizabeth P. Offen-Brown, Note, *Forum Shopping and Venue Transfer in Patent Cases*, 25 Berkeley Tech. L.J. 61, 70 (2010) (showing that the Eastern District remained the second-leading fo-

rum for filing patent suits in 2009, behind the Central District of California).

Yet these suits often have no meaningful connection to the Eastern District of Texas. The defendants are frequently technology firms based on the West Coast. The patented method or system also typically was invented in a different State. In response to this proliferation of suits in the Eastern District, defendants have increasingly filed transfer-of-venue motions under § 1404(a) to have their cases moved to a more convenient forum. But these motions are often denied—even where, as here, the Eastern District has no real link to the facts of the case.

Since the Fifth Circuit's *en banc* decision in *Volkswagen*, the Federal Circuit has granted a number of mandamus petitions compelling the Eastern District to transfer a case to a more appropriate forum. *See In re Microsoft Corp.*, 630 F.3d 1361 (Fed. Cir. 2011) (per curiam); *In re Zimmer Holdings, Inc.*, 609 F.3d 1378 (Fed. Cir. 2010); *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009); *In re Hoffman-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009); *In re Genentech, Inc.*, 566 F.3d 1338 (Fed. Cir. 2009); *In re TS Tech USA Corp.*, 551 F.3d 1315 (Fed. Cir. 2008). Each of these cases "feature[d] a stark contrast in relevance, convenience, and fairness between the two venues." *Nintendo*, 589 F.3d at 1198. The Federal Circuit accordingly has emphasized that in "a case featuring most witnesses and evidence closer to the transferee venue with few or no convenience factors favoring the venue chosen by the plaintiff, the trial court should grant a motion to transfer." *Id.*

For example, in *In re Nintendo*, the defendants were residents of Japan and Washington; the plaintiff was a resident of Ohio; the key witnesses were all located in Washington, Ohio, New York, and Japan; and most relevant evidence was located in Washing-

ton. 589 F.3d at 1196–1200. Indeed, the trial court had "candidly observed that the Eastern District of Texas has little relevant local interest in the dispute." *Id.* at 1198. The Federal Circuit therefore held that "Nintendo ha[d] met its difficult burden of demonstrating a clear and indisputable right to a writ" in that "the district court [had] clearly abused its discretion." *Id.* at 1200.

Similarly, in *In re Hoffman-La Roche Inc.*, neither the plaintiff nor the defendants resided in Texas; the "accused drug was developed and tested within the Eastern District of North Carolina and documents and sources of proof remain[ed] there"; and "at least four non-party witnesses resid[ed] within 100 miles of the Eastern District of North Carolina," permitting them to be subpoenaed by that court. 587 F.3d at 1336. Furthermore, "there appear[ed] to be no connection between this case and the Eastern District of Texas except that in anticipation of this litigation, [plaintiff's] counsel in California converted into electronic format 75,000 pages of documents demonstrating conception and reduction to practice and transferred them to the offices of its litigation counsel in Texas." *Id.* at 1336–37. The Federal Circuit concluded that this sole factor favoring Texas was a "fiction . . . created to manipulate the propriety of venue" and violated this Court's admonition against "[t]his type of tactic" in *Van Dusen v. Barrack*, 376 U.S. 612 (1964). 587 F.3d at 1337. The district court therefore had "clearly abused its discretion in denying petitioners' motion to transfer venue." *Id.* at 1335.

The facts of the other cases where the Federal Circuit has ordered the Eastern District of Texas to transfer cases have been similarly compelling. *See, e.g.*, *Microsoft*, 630 F.3d at 1365 ("[The plaintiff] took the extra step of incorporating under the laws of Texas sixteen days before filing suit."); *Genentech*,

566 F.3d at 1343 ("[P]etitioners identified at least ten witnesses within the Northern District of California," and "no witness reside[d] in the Eastern District of Texas . . . ."). The Federal Circuit has accordingly concluded that such clear abuses of discretion call for mandamus.

The Federal Circuit, however, has by no means exercised its mandamus power liberally. In several similar instances, the Federal Circuit has found that the high standard for mandamus was not met. For example, in *In re Vistaprint Ltd.*, 628 F.3d 1342 (Fed. Cir. 2010), a New Jersey-based plaintiff sued a foreign defendant whose principal U.S. subsidiary was based in Massachusetts and a retailer based in Illinois. Despite the indisputable convenience of the District of Massachusetts for the witnesses, the trial court had denied a transfer on the ground of judicial economy—that the court had "substantial experience with the patent-in-suit based on prior litigation involving the plaintiff" as well as a currently pending case by the same plaintiff against another defendant. *Id.* at 1344. That is, the court concluded that the fact that the plaintiff had brought suit against other defendants in the Eastern District of Texas was sufficient to deny a transfer of venue even where convenience considerations strongly favored another forum. The Federal Circuit denied the defendants' petition for mandamus. The court rejected the petitioners' argument that the trial court had improperly balanced judicial economy against convenience, stating that although "a clear abuse of discretion in balancing convenience against judicial economy under § 1404 is not outside the scope of correctable error on mandamus review," it could not "say that the trial court's balancing was so unreasonable as to warrant the extraordinary relief of mandamus." *Id.* at 1346–47; *see also In re Apple Inc.*, 374 F. App'x 997 (Fed. Cir. 2010) (per curiam) (denying petition for manda-

mus); *In re Google Inc.*, Misc. No. 968, 2011 WL 772875 (Fed. Cir. Mar. 4, 2011) (same); *In re EchoStar Corp.*, 388 F. App'x 994 (Fed. Cir. 2010) (same); *In re VTech Commc'ns, Inc.*, Misc. No. 909, 2010 WL 46332 (Fed. Cir. Jan. 6, 2010) (same); *In re Telular Corp.*, 319 F. App'x 909 (Fed. Cir. 2009) (same); *In re Volkswagen of Am., Inc.*, 566 F.3d 1349 (Fed. Cir. 2009) (same); *In re D-Link Corp.*, 183 F. App'x 967 (Fed. Cir. 2006) (same).

Lately some plaintiffs have attempted to avoid transfer by joining literally dozens of unrelated defendants in one action, including at least one (usually insignificant) defendant that maintains a principal place of business in the Eastern District. For example, in *In re Google Inc.*, the plaintiff sued twenty-two unrelated companies for patent infringement, only four of which resided in the Eastern District of Texas. 2011 WL 772875, at *1 & n.1. The district court denied the defendants' motion to transfer venue and alternative request to sever the claims of the Northern California-based defendants and transfer those only to the Northern District of California. Despite the plaintiff's procedural gamesmanship, the Federal Circuit denied the petition for mandamus, citing judicial-efficiency concerns and explaining that its "authority here on mandamus review is narrow, confined solely to determining whether the trial court's denial of transfer produced a patently erroneous result." *Id.* at *1.

The attempts to avoid transfer by joining multiple defendants are continuing. For example, one plaintiff named over 300 entities as defendants. *See* Megan Stride, *GeoTag Sues Hundreds of Retailers Over Web Search IP*, Law360 (Dec. 21, 2010), http://www.law360.com/web/articles/216254 (plaintiff names "more than 300 companies across a wide spread of consumer industries" as defendants in seven different complaints filed in the Eastern Dis-

trict of Texas); *see also* Dennis Crouch, *Who Is Suing For Patent Infringement?*, Patently-O (Mar. 14, 2011 12:50pm), http://www.patentlyo.com (noting that, in the last ten years, twenty-five patent plaintiffs have sued over 100 defendants, and two non-practicing entity plaintiffs have sued over 1,000 defendants).

2. MedioStream is the alleged assignee of two related patents claiming certain methods and systems for converting video information from one format to another format. It is a California corporation with its principal place of business in Los Altos, California. Pet. App. 13a. The named inventor on each of the patents is Qiang Huang, a resident of the Northern District of California. *Id.* at 13a–14a. In 2007, MedioStream brought suit against eleven defendants for patent infringement (as well as certain California-law claims against certain of the defendants, which were later dropped) in the Eastern District of Texas. *Id.* at 14a. Only one of the defendants is headquartered in Texas (Dell, Inc.), and even that defendant is not based in the Eastern District (with its headquarters instead found in suburban Austin, some 300 miles from Marshall). *Id.* at 14a–15a. Like MedioStream, eight of the defendants have their principal place of business in California, with five based in the Northern District of California. *Id.* at 21a. The other two defendants, parents of California-based defendants, have their principal places of business abroad. *Id.*

In January 2008, five of the California defendants moved for a transfer of venue to the Northern District of California under § 1404(a). The district court denied the motion. Though recognizing that "most of the parties are centered in California" (Pet. App. 17a), it held that transfer was inappropriate. The court cited factors such as Dell's headquarters in Texas (albeit not in the Eastern District), the alleged fact that "any documentary proof can be as easily

transported to [the Eastern District of Texas] for trial as to the Northern District of California," and the defendants' sale of their products in Texas. *Id.* at 17a–18a.

Shortly after the district court denied the transfer motion, MedioStream brought a second lawsuit in the Eastern District of Texas against respondent Microsoft Corporation for alleged infringement of the same two patents. Pet. App. 22a–23a. Like the defendants in MedioStream's first suit, Microsoft's principal place of business is not in Texas; it is in Washington State. In December 2008, Microsoft moved to transfer the case to MedioStream's home forum (the Northern District of California), joining with the defendants from the first case, who moved for reconsideration of their own transfer motion. *Id.*

After consolidating the cases, the district court denied the motions, citing essentially the same factors that it cited in its previous order. But after the Federal Circuit issued mandamus writs compelling transfer of venue in *In re Nintendo Co.*, 589 F.3d 1194 (Fed. Cir. 2009), and *In re Hoffman-La Roche Inc.*, 587 F.3d 1333 (Fed. Cir. 2009), the defendants sought reconsideration. The district court again denied the motion.

3. The twelve defendants petitioned the Federal Circuit to issue a writ of mandamus compelling the district court to transfer the case to the Northern District of California. The defendants argued that the district court had "committed a clear abuse of discretion" in "concluding that the factors relating to the cost of attendance for witnesses and relative ease of access to evidence do not strongly favor transfer" and had "incorrectly balanced" the relevant factors. Defendants' C.A. Br. at 14–15 (internal quotation marks omitted). In opposition, MedioStream, agreeing that the correct standard of review was whether

"the district court clearly abused its discretion," argued that the defendants had "fail[ed] to satisfy their extraordinary burden of demonstrating that the district court's weighing of the public and private interest factors in denying [their] motions to transfer constituted a clear abuse of discretion." MedioStream C.A. Br. at 16.

The Federal Circuit granted the petition and ordered the district court to transfer the case to the Northern District of California. Pet. App. 8a. The court explained that the district court's denial orders were largely based on a single factor: "the presence of one petitioner, Dell, Inc., which is headquartered in Round Rock, Texas, which is outside the Eastern District and some 300 miles from Marshall, Texas, where the litigation is pending." Pet. App. 3a. The court determined that the "conclusion that Dell's presence in Texas was enough to preclude transfer here is . . . a clear abuse of discretion." *Id.* at 8a.

The Federal Circuit cited a number of factors supporting transfer. The court noted the clear convenience to the witnesses of having the trial in the Northern District of California. "All of the U.S.-based companies in this case except for Dell and Microsoft are headquartered in California," the court explained, whereas "no party is headquartered in the Eastern District of Texas." Pet. App. 4a, 12a. A "substantial number of party witnesses, in addition to the inventor and prosecuting attorneys, reside in or close to the Northern District of California." *Id.* at 5a. Requiring these witnesses to travel to Marshall, Texas, would force them to "incur significant expenses for airfare, meals, and lodging, as well as losses in productivity from time spent away from work"—not to mention "personal costs associated with being away from work, family, and community." *Id.* at 5a–6a (internal quotation marks omitted). Such "costs would be significantly minimized or

avoided by transferring the case to Northern California." *Id.* at 6a. The Federal Circuit rejected the district court's conclusion that the convenience factor was "neutral" because Dell was based in another Texas district, noting that there would be very few Dell witnesses because "the allegation of infringement against Dell is largely based on integrated software of other defendants with headquarters outside of Texas." *Id.* at 6a.

The court also ruled that the district court had incorrectly analyzed the source-of-evidence factor. A "significant portion of the evidence will be located in the Northern District of California," and "no party identified any likely source of proof in the Eastern District of Texas." Pet. App. 6a–7a. The district court had concluded that this evidentiary factor did not favor transfer, relying principally on Dell's presence in the State. But "Dell's headquarters lies outside the Eastern District of Texas," the Federal Circuit explained, and "[i]n any event, it is unreasonable to suggest that Dell's evidence alone could outweigh the convenience of having the evidence from multiple defendants located within the transferee venue of trial." *Id.* at 7a.

The court cited other factors favoring transfer. It explained that the Eastern District of Texas would have no power under Federal Rule of Civil Procedure 45(b)(2) to subpoena witnesses located in Northern California. Pet. App. 6a. In addition, the court held, the "local interest factor also strongly favors transfer": "The company asserting harm and many of the companies alleged to cause that harm are all residents of [the Northern District of California], as are the inventor and the patent prosecuting attorneys." *Id.* at 7a–8a.

The court concluded that "the convenience of the parties, and witnesses, the sources of proof, the local

interest, and the compulsory process factors all significantly favor transfer" and that "no factor remotely favors keeping this case in the Eastern District of Texas." Pet. App. 8a. It accordingly granted the writ of mandamus.

REASONS FOR DENYING THE PETITION

This Court should deny the petition for certiorari. As a threshold matter, petitioner MedioStream did not raise the question presented below. To the contrary, MedioStream agreed with respondents that the appropriate standard of mandamus review of the denial of a § 1404(a) motion was for a clear abuse of discretion and did not dispute that such relief was available when the district court's factual conclusions relating to the factors bearing on transfer are unsupported by the record.

Aside from that forfeiture, this Court should deny the petition because there is no division of authority among the courts of appeals on the question presented. MedioStream relies on cases from the 1950s that have long since been superseded by this Court's precedents and holdings in every circuit. Consistent with this Court's teachings, the courts of appeals uniformly agree that on mandamus review an order granting or denying a § 1404(a) transfer motion can be reversed for a "clear abuse of discretion." Any division of authority arising in the mid-Twentieth Century was resolved by this Court decades ago.

At base, MedioStream objects to the Federal Circuit's application of the settled "clear abuse of discretion" standard to the facts of this case. That question does not merit this Court's review.

I. MEDIOSTREAM DID NOT PRESERVE THE QUESTION PRESENTED BELOW.

This Court should deny the petition for certiorari because MedioStream did not argue below that "mandamus will not lie to correct an abuse of discretion in weighing [the § 1404(a)] factors." Pet. 6. To the contrary, MedioStream agreed with respondents that "in seeking to upset the district court's discretionary decision to deny transfer on a petition for mandamus," respondents had to demonstrate "that the district court clearly abused its discretion." MedioStream C.A. Br. at 11. The court was permitted to issue the writ compelling the district court to transfer venue, MedioStream stated, if "it is clear that the facts and circumstances are without any basis for a judgment of discretion." *Id.* at 12. "Thus," MedioStream argued, echoing the standards that the Federal Circuit has consistently applied, "[respondents] must demonstrate a 'clear' abuse of discretion such that refusing transfer would produce a 'patently erroneous result.'" *Id.* at 11 (quoting *In re Volkswagen of Am., Inc.*, 545 F.3d 304, 310 (5th Cir. 2008) (*en banc*)). MedioStream therefore never presented below the question whether the Federal Circuit had the authority to "reweigh[] the district court's discretionary § 1404(a) analysis." Pet. i.

"Ordinarily, this Court does not decide questions not raised or resolved in the lower court." *Youakim v. Miller*, 425 U.S. 231, 234 (1976) (per curiam); *see also, e.g.*, *Delta Airlines, Inc. v. August*, 450 U.S. 346, 362 (1981) (holding that a question presented in petition but "not raised in Court of Appeals . . . is not properly before us"). As this Court has explained, that prudential rule "help[s] to maintain the integrity of the process of certiorari." *Taylor v. Freeland & Kronz*, 503 U.S. 638, 646 (1992). Because all parties below agreed that the Federal Circuit could re-

view the district court's denial of the transfer motions for a clear abuse of discretion and did not disagree over the types of errors that could constitute an abuse of discretion, the Federal Circuit did not have the opportunity to pass on the question whether a more circumscribed standard of review should apply. For that reason, this Court should deny the petition for certiorari.

II. The Federal Circuit Faithfully Applied This Court's Precedents On The Standard Of Mandamus Review.

This Court has repeatedly held that discretionary decisions of district courts may be reversed on mandamus review where there is a "clear abuse of discretion." *E.g.*, *Mohawk Indus., Inc. v. Carpenter*, 130 S. Ct. 599, 607 (2009); *Schlagenhauf v. Holder*, 379 U.S. 104, 111 (1964). This Court first announced that standard in 1953 in *Bankers Life & Casualty Co. v. Holland*, 346 U.S. 379. *Bankers Life* arose in the context of a transfer-of-venue motion under 28 U.S.C. § 1406(a), which permits a district court to transfer an action where venue in the court is legally improper. The court of appeals had dismissed the mandamus petition as an improper vehicle to challenge the district court's order. *Id.* at 381. Though affirming the denial of the writ, this Court stated that it did "not doubt the power [of appellate courts] in a proper case to issue such writs." *Id.* at 384 (internal quotation marks omitted). Although the writ of mandamus would not be appropriate to correct all district-court errors, this Court held, the writ was appropriate "where there is *clear abuse of discretion* or usurpation of judicial power." *Id.* at 383 (internal quotation marks omitted; emphasis added).

This Court has reaffirmed the "clear abuse of discretion" standard in numerous cases since 1953. Most recently, in *Cheney v. U.S. District Court for the*

District of Columbia, 542 U.S. 367 (2004), this Court held that in ruling on a petition for mandamus, a court of appeals must review a district court's discretionary balance of factors in granting a discovery request for "a 'clear abuse of discretion.'" 542 U.S. at 389–90 (quoting *Bankers Life*, 346 U.S. at 383). The Court explained that such a clear abuse of discretion satisfies the general mandamus prerequisites that a petitioner's entitlement to the writ be "'clear and indisputable'" and that issuance of the writ be "appropriate under the circumstances." *Id.* at 381 (quoting *Kerr v. U.S. Dist. Ct. for N. Dist. of Cal.*, 426 U.S. 394, 403 (1976)).

In reviewing petitions for mandamus challenging denials of transfer-of-venue motions, the Federal Circuit has applied precisely the standard articulated in this Court's precedents. The "writ of mandamus," the Federal Circuit has held, "is available in extraordinary situations to correct a clear abuse of discretion or usurpation of judicial power." *In re Genentech, Inc.*, 566 F.3d 1338, 1341 (Fed. Cir. 2009). Furthermore, "[a] party seeking a writ bears the burden of proving that it has no other means of obtaining the relief desired, and that the right to issuance of the writ is 'clear and indisputable.'" *Id.* (citing *Mallard v. U.S. Dist. Court for S. Dist. of Iowa*, 490 U.S. 296, 309 (1989); *Allied Chem. Corp. v. Daiflon, Inc.*, 449 U.S. 33, 35 (1980) (per curiam)). Given those standards, the Federal Circuit has held that mandamus is appropriate "to correct a patently erroneous denial of transfer pursuant to § 1404(a)" where the district court has committed a "clear abuse of discretion." *Id.* These same standards are applied by other circuits.[1]

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[1] *See, e.g.*, *In re Warrick*, 70 F.3d 736, 740 (2d Cir. 1995) ("A court of appeals will issue a writ of mandamus to correct a dis-

This Court has further explained that "abuse of discretion" review entails not only review of a district court's discretionary decisions for unreasonableness, but also review of its underlying legal and factual conclusions. *See, e.g.*, *Koon v. United States*, 518

[Footnote continued from previous page]

trict court's disposition of a section 1404 transfer motion for a clear abuse of discretion."); *Ellicott Mach. Corp. v. Modern Welding Co.*, 502 F.2d 178, 181 n.4 (4th Cir. 1974) ("Both this court and the Sixth Circuit have recognized the availability of mandamus to review a clear abuse of discretion by a district judge in ordering or denying transfer under section 1404(a)."); *Lemon v. Druffel*, 253 F.2d 680, 683 (6th Cir. 1958) ("[U]nless it is necessary to correct a clear abuse of discretion, the Court should not entertain motions for writs of mandamus to direct District Courts to enter or vacate orders of transfer."); *Wade v. Farmers Ins. Group*, 96 F.3d 1450 (Table), 1996 WL 508613, at *4 (7th Cir. 1996) ("Even in absence of appellate jurisdiction, however, federal appellate courts have issued writs of mandamus to correct a district court's disposition of a § 1404(a) transfer motion for a clear abuse of discretion."); *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir.), *cert. denied*, 131 S. Ct. 838 (2010) ("[A] clear error of law or clear error of judgment leading to a patently erroneous result may constitute a clear abuse of discretion."); *Healy v. Phillips*, 8 F.3d 27 (Table), 1993 WL 414192, at *1 (9th Cir. 1993) ("This court will grant the writ and order the district court to rescind its order transferring venue only if the district court's order was clearly erroneous as a matter of law or was a clear and indisputable abuse of discretion."); *In re Dalton*, 733 F.2d 710, 717 (10th Cir. 1984) (holding that a district court's decision on transfer of venue "should not be rejected unless the court of appeals determines that there is a clear abuse of discretion"); *In re Ricoh Corp.*, 870 F.2d 570, 573 n.5 (11th Cir. 1989) ("In general, the district court has discretion to grant or deny a motion to transfer under section 1404(a). On mandamus, we may reverse the district court's decision only if the court clearly abused its discretion."); *In re DRC, Inc.*, 358 F. App'x 193, 195 (D.C. Cir. 2009) (reviewing denial of transfer order for whether district court "clearly abused its discretion in a manner to warrant extraordinary relief by mandamus").

U.S. 81, 100 (1996) ("A district court by definition abuses its discretion when it makes an error of law."). In particular, when reviewing for an abuse of discretion, an appellate court must determine whether a district court's supporting factual findings were "clearly erroneous." *Cooter & Gell v. Harmarx Corp.*, 496 U.S. 384, 401 (1990).

In this case, the Federal Circuit concluded that the district court had committed fundamental errors with respect to factual findings such as the convenience of the competing forums to the parties and witnesses and the location of the evidence. For example, the Federal Circuit concluded that the Northern District of California was overwhelmingly more convenient for witnesses than the Eastern District of Texas. Pet. App. 5a–6a. The court also determined that the district court erred in ruling that the location of the evidence did not favor either district more than the other: "[N]o party identified any likely source of proof in the Eastern District of Texas," whereas "a significant portion of the evidence will be located within the Northern District of California." *Id.* at 6a–7a. The Federal Circuit also noted facts and factors that the district court did not properly consider, such as the power of a district court in the Northern District of California to subpoena the likely witnesses. *Id.* at 6a.

Thus, MedioStream's argument that the Federal Circuit had no authority to "reweigh[]" the district court's balance of the factors (Pet. i) is not only wrong—unquestionably that exercise of discretion may be scrutinized during review for a "clear abuse of discretion"—but beside the point: The Federal Circuit concluded both that the district court had reached plainly erroneous factual conclusions with respect to each of the factors and that it had failed to properly balance the factors. MedioStream does not contest that an appellate court may issue a writ of

mandamus to correct unquestionably incorrect factual conclusions.

III. There Is No Division Of Authority Over The Question Presented.

Despite the Federal Circuit's straightforward application of the standard of review repeatedly reaffirmed by this Court, MedioStream contends that appellate courts disagree about whether the "clear abuse of discretion" standard applies to mandamus petitions challenging orders on § 1404(a) transfer motions. According to MedioStream, the First and Third Circuits hold that "mandamus will not lie to correct an abuse of discretion in weighing [the § 1404(a)] factors," whereas other circuits "apply an abuse of discretion standard." Pet. 6, 12. As discussed above, this question is not squarely presented by this case, because the Federal Circuit also concluded that the district court had made clear factual errors with respect to each of the factors, not just that it had abused its discretion in balancing the factors.

In any event, MedioStream is incorrect: All circuits apply the "clear abuse of discretion" standard required by this Court's precedents for mandamus review. As the *en banc* Fifth Circuit noted at the outset of its *Volkswagen* opinion, citing cases from every circuit, mandamus is available "as a limited means to test the district court's discretion in issuing transfer orders." *Volkswagen*, 545 F.3d at 308 n.3. To establish the purported conflict, MedioStream relies almost exclusively on a Third Circuit opinion from 1952 (along with a First Circuit case citing it) that predates this Court's holding in *Bankers Life* and subsequent cases that a court of appeals must review a district court's discretionary order for a "clear abuse of discretion." In fact, more recent precedents from all courts of appeals, including the

First and Third Circuits, make clear that there is consensus that an appellate court may review a district court's exercise of its discretion for "a clear abuse of discretion."

1. In the Third Circuit, MedioStream principally relies on one case decided in 1952, which predated this Court's first statement of the "clear abuse of discretion" standard in *Bankers Life*. *See* Pet. 6 (citing *All States Freight v. Modarelli*, 196 F.2d 1010 (3d Cir. 1952)). MedioStream then cites three more recent cases and opaquely states that the view expressed in *All States Freight* "has withstood the test of time." *Id.* at 7.

MedioStream's suggestion that the Third Circuit has diverged from the standard this Court set forth in *Bankers Life* is incorrect. The Third Circuit has repeatedly held in recent decisions that "[m]andamus may lie to prevent a district court from usurping a power that it lacks *and to rectify clear abuses of discretion*." *In re Pressman-Gutman Co.*, 459 F.3d 383, 399 (3d Cir. 2006) (emphasis added); *see also, e.g.*, *Wilderman v. Cooper & Scully, P.C.*, 428 F.3d 474, 478 (3d Cir. 2005) (joined by Alito, J.). The court has explained that "'mandamus can apply to discretionary acts where petitioners can demonstrate a 'clear abuse of discretion.'" *In re Patenaude*, 210 F.3d 135, 141 (3d Cir. 2000) (quoting *Mallard*, 490 U.S. at 309).

The Third Circuit has not had the opportunity to opine expressly on whether the general "clear abuse of discretion" standard from this Court's precedents applies specifically to motions to transfer venue under § 1404(a), but there is nothing in the Third Circuit's post-*Bankers Life* precedents of the last fifty years to indicate that it would break from its general treatment of mandamus petitions. Indeed, in closely related contexts, such as motions to transfer criminal

cases to other venues under Federal Rule of Criminal Procedure 21(b) and motions to transfer cases from consolidated multidistrict litigation back to the original district courts, the Third Circuit has held that the correct standard of review on mandamus is for a "clear abuse of discretion." *In re Wilson*, 451 F.3d 161, 169 (3d Cir. 2006) (motion to transfer back to original district court in district-litigation proceeding under 28 U.S.C. § 1407(a)); *Patenaude*, 210 F.3d at 141 (same); *In re United States*, 273 F.3d 380, 389 (3d Cir. 2001) (motion to transfer criminal case under Rule 21(b)). There is no reason to believe that the Third Circuit would depart from that standard for mandamus petitions challenging rulings on § 1404(a) transfer motions.

None of the three post-1952 Third Circuit cases that MedioStream cites rejects the "clear abuse of discretion" standard. Those cases state only that a court will not grant mandamus relief vacating a district court's order unless the "district court did not have the power to enter the order." *In re Federal-Mogul Global*, 300 F.3d 368, 378–79 (3d Cir. 2002); *Carteret Sav. Bank v. Shushan*, 919 F.2d 225, 232 (3d Cir. 1990); *see also Solomon v. Cont'l Am. Life Ins. Co.*, 472 F.2d 1043, 1045 (3d Cir. 1973) ("trial court exceeded its authority or acted outside its jurisdiction"). As this Court has made clear, however, one of the situations in which, for the purpose of mandamus review, a district court will be considered to have exceeded the "'lawful exercise of its prescribed jurisdiction'" is where it has committed "'a clear abuse of discretion.'" *Cheney*, 542 U.S. at 380 (quoting *Roche v. Evaporated Milk Ass'n*, 319 U.S. 21, 26 (1943); *Bankers Life*, 346 U.S. at 383). That is because, in the context of mandamus petitions, "courts have not 'confined themselves to an arbitrary and technical definition of "jurisdiction."'" *Id.* (quoting *Will v. United States*, 389 U.S. 90, 95 (1967)).

In fact, in one of the cases relied upon by MedioStream, the Third Circuit engaged in a weighing of the relevant § 1404(a) factors and concluded that "by no discernible standard could we hold that [the] grant [of the motion to transfer venue] in these circumstances was *such an abuse of discretion* as to be beyond the district court's authority or outside its jurisdiction." *Solomon*, 472 F.2d at 1047 (emphasis added). And in the same case the Third Circuit admonished district courts that "[s]ince it is likely that unsuccessful proponents or opponents of § 1404(a) motions will continue to petition for mandamus relief, . . . it would be helpful to us if each transfer order set forth the factors upon which the court relied in deciding the motion." *Id.* at 1048. The Third Circuit therefore has not broken from this Court's precedents requiring appellate courts ruling on mandamus petitions to determine whether a district court committed a "clear abuse of discretion."

2. With respect to the First Circuit, MedioStream relies entirely on a 1954 decision, subsequently abrogated, to establish the proposition that the First Circuit will not review a district court's balancing of the § 1404(a) factors. *See* Pet. 6 (citing *In re Josephson*, 218 F.2d 174, 182–83 (1st Cir. 1954), *abrogated on other grounds*, *In re Union Leader Corp.*, 292 F.2d 381, 383 (1st Cir. 1961)). Two pages later, however, MedioStream concedes vaguely that the First Circuit "has reserved the right to depart from that approach when necessary," citing *Codex Corp. v. Milgo Electronic Corp.*, 553 F.2d 735, 737 (1st Cir. 1977).

That is an understatement. In *Codex*, a pre-Federal Circuit patent case, the First Circuit held that although "[a]ppellate review . . . is properly limited in the ordinary case because it serves little purpose, other than delay, to engage in a de novo consideration of such an inherently indeterminate decision"

as choice of venue, "[t]his *does not mean . . . that discretion is non-reviewable*." 553 F.2d at 737 (emphasis added). In other words, the First Circuit does *not* maintain, as MedioStream contends, that the exercise of a district court's discretion on a venue-transfer motion is unreviewable on mandamus. Pertinently, the First Circuit explained in *Codex* that "[v]enue rights . . . are important, particularly in patent litigation, where it is well known that the patent bar believes that the hospitality accorded patents varies markedly from circuit to circuit," and that in this context "forum shopping becomes particularly appealing." *Id.* at 738.

The First Circuit has not had occasion to address the precise issue since *Codex*. But following this Court's holdings, it has repeatedly declared that it will issue a writ of mandamus to correct a district court's "clear abuse of discretion." *Langley v. Colonial Leasing Co.*, 707 F.2d 1, 5 n.6 (1st Cir. 1983); *USM Corp. v. GKN Fasteners, Ltd.*, 574 F.2d 17, 23 (1st Cir. 1978). MedioStream provides no reason to believe that the First Circuit would depart from that standard in the context of rulings on § 1404(a) motions.

3. MedioStream attempts to construct a division of authority among the remaining circuits by selectively quoting certain passages while ignoring the circuits' repeated reaffirmations of the proper standard. In reality, there is no question that each of these circuits reviews denials of motions to transfer on mandamus review for a "clear abuse of discretion," faithfully applying this Court's holdings. *See supra* n.1.

For example, MedioStream alleges that the Fourth Circuit does not adhere to the "clear abuse of discretion" standard, but rather asks "whether the right to the writ is 'clear and indisputable.'" Pet. 9

(quoting *In re Ralston Purina Co.*, 726 F.2d 1002, 1005 (4th Cir. 1984)). That point just confuses two different inquiries: (i) the general requirements for issuance of the writ, of which a "clear and indisputable right" to the writ is one, and (ii) the sort of district-court errors that indicate a "clear and indisputable right" to the writ, of which a "clear abuse of discretion" is one. *See Cheney*, 542 U.S. at 380–81 (explaining that a petitioner must show a "clear and indisputable right" to the writ and may prevail by demonstrating a "clear abuse of discretion"). MedioStream relies on *In re Ralston Purina Co.*, but in that case the Fourth Circuit held only that a "mere abuse of discretion"—as contrasted with a severe abuse—would not warrant issuance of the writ. *See* 726 F.2d at 1005. And in fact, in *Ralston Purina* the Fourth Circuit proceeded to conduct its own weighing of the factors and determined that the district court's denial of transfer was not "such an abuse of judicial power or refusal to exercise it that the right to a transfer is clear and indisputable." *Id.* at 1006. The Fourth Circuit's reasoning flatly refutes MedioStream's characterization of the opinion as "prohibit[ing] reweighing of the district court's § 1404(a) judgment." Pet. 9. As the Fourth Circuit has held in another decision, mandamus is available "to review a clear abuse of discretion by a district judge in ordering or denying transfer under section 1404(a)." *Ellicott Mach. Corp. v. Modern Welding Co.*, 502 F.2d 178, 180 n.4 (4th Cir. 1974); *see also Sterling Forest Assocs., Ltd. v. Barnett-Range Corp.*, 840 F.2d 249, 252 (4th Cir. 1988) (holding that mandamus would be appropriate to reverse district court's denial of § 1404(a) transfer motion based on erroneous interpretation of contract).

MedioStream similarly attempts to show that the Eighth Circuit has adopted a different standard for mandamus review of denials of venue-transfer mo-

tions, citing a 1965 decision. But again, MedioStream concedes that just last year (in a case in which this Court denied certiorari) the Eighth Circuit applied the "clear abuse of discretion" standard. *See* Pet. 9 (citing *In re Apple, Inc.*, 602 F.3d 909, 911 (8th Cir. 2010), *cert. denied*, 131 S. Ct. 838 (2010)). The Eighth Circuit has consistently adhered to that standard for decades. *See, e.g.*, *Wilkins v. Erickson*, 484 F.2d 969, 971 (8th Cir. 1973).

Finally, MedioStream suggests that the Ninth Circuit has not followed the "clear abuse of discretion" standard, citing cases from 1969 and 1970. Pet. 11. But, as with the cases MedioStream cites in other circuits, those cases do not reject that standard, and more recent decisions of the Ninth Circuit have endorsed and applied it. *See Healy v. Phillips*, 8 F.3d 27 (Table), 1993 WL 414192, at *1 (9th Cir. 1993) ("This court will grant the writ and order the district court to rescind its order transferring venue only if the district court's order was clearly erroneous as a matter of law or was *a clear and indisputable abuse of discretion*." (emphasis added)); *Wash. Pub. Utils. Group v. U.S. Dist. Ct. for W. Dist. of Wash.*, 843 F.2d 319, 329 (9th Cir. 1987) ("The district court's decision to change venue . . . *was not clearly and indisputably an abuse of discretion*." (emphasis added)).[2]

* * *

In sum, there is no conflict of circuit authority on whether a district court's order on a motion to transfer venue under § 1404(a) may be reviewed on appeal

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[2] MedioStream concedes that the Second, Fifth, Sixth, Seventh, Tenth, and Eleventh Circuits follow the "clear abuse of discretion" standard. Pet. 10–13. It does not address the D.C. Circuit, but that circuit applies the same standard. *See supra* n.1.

for a "clear abuse of discretion." Even the dissenting opinion on which MedioStream principally relies to establish that the "appellate courts themselves have repeatedly acknowledged this intractable split" (Pet. 13)[3] agreed that mandamus is appropriate to correct a "clear abuse of discretion." *Volkswagen*, 545 F.3d at 320 (King, J., dissenting) (internal quotation marks omitted). Accordingly, MedioStream objects only to the Federal Circuit's application of that standard to the facts of this case, a question that does not call for review by this Court.

IV. Venue Abuse In Patent Cases Raises Important Unresolved Issues Of Law, But The Question Presented Is Not One Of Them.

As if to emphasize the *un*importance of the question presented, MedioStream touts that this Court has consistently denied certiorari on the question for sixty years (with almost every denial occurring before 1990). Pet. 14–17. The cases that MedioStream principally cites to bring the ostensible current importance of this issue "into sharp relief" were decided in the 1950s. *Id.* at 15–16 (citing cases from 1950, 1951, and 1955). The only three recent decisions to which MedioStream points do not show that this issue is important or that there is a pressing division of authority among the courts of appeals. They merely demonstrate that other litigants have made similarly flawed arguments for certiorari as MedioStream. *See, e.g.*, Pet. for Cert., *Luxpro Corp. v. Apple, Inc.*, 2010 WL 4494137, at *20–22 (Sept. 28, 2010); Pet. for Cert., *Singleton v. Volkswagen of Am., Inc.*, 2008 WL 5195635, at *20–25 (Dec. 9, 2008). Indeed, in the one cited case where the respondent

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[3] Each of MedioStream's other citations in this regard is over twenty years old.

waived a brief in opposition, this Court did not even call for a response before denying the petition. *See Luxpro Corp. v. Apple, Inc.*, 131 S. Ct. 838 (2010).

MedioStream nevertheless strenuously tries to frame the question presented as important—alleging that the Federal Circuit is "distorting patent venue." Pet. 17. But in reality, MedioStream merely objects to the Federal Circuit's application of the settled "clear abuse of discretion" standard from this Court's precedents to the facts of this case and other recent cases where plaintiffs have abused venue rules to locate cases in the Eastern District of Texas. And MedioStream's discussion of the 1988 amendment to the venue statute (Pet. 20) bears no relevance to this case, as neither the defendants nor the Federal Circuit contested that the basic requirements for venue are satisfied in the Eastern District of Texas (as they are in virtually any district in the United States). Pet. 20.

It is true, however, that there are current practices that are "distorting patent venue": They include a disproportionate number of patent cases filed in the Eastern District of Texas. As discussed above, these cases often have no real connection to that venue, and plaintiffs often manufacture fictional contacts immediately before filing suit. Those tactics may eventually call for this Court's intervention, but this case raises no such important or divisive legal question.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted.

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